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ABSTRACT

This report reviews current and developing policy issues in the context of the guiding principles of the American Association of State Colleges and Universities and articulates the Association's public positions and priorities based on that review. It is expected that 2003 will be one of the most challenging in a generation for state colleges and universities as unprecedented enrollments test institutional capacity and creativity and a deepening financial crisis forces painful choices for policy makers and administrators. Policies are outlined in the areas of: (1) student financial aid; (2) national security and internationalization; (3) tax policy; (4) science and research; (5) teacher preparation, development, and support; (6) access and inclusion; (7) economic and workforce development; and (8) governance. (SLD)

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2003 PUBLIC policy agenda

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American Association of State Colleges and Universities

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January 2003

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From AASCU'S President

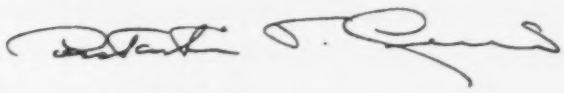
Dear Colleague:

I am pleased to present to you the American Association of State Colleges and Universities' *2003 Public Policy Agenda.* Every year, the association reviews current and developing policy issues in the context of its guiding principles and articulates its policy positions and priorities based on that review. These positions and priorities comprise the *2003 Public Policy Agenda.*

The year ahead will be one of the most challenging in a generation for state colleges and universities. At the campus level, unprecedented enrollments will test institutional capacity and creativity. At the state level, a deepening fiscal crisis will force difficult and even painful choices for legislators and governors. At the federal level, the reauthorization of the Higher Education Act will renew debates in areas ranging from institutional accountability to financial aid to teacher preparation. At all levels, AASCU will approach policy deliberations with the interests of students–especially those most at risk of being denied higher education opportunity–as the foremost concern.

The Asian Pacific Americans in Higher Education (APAHE), the Council of Opportunity in Education (COE), the Hispanic Association of Colleges and Universities (HACU), the National Association for Equal Opportunity in Higher Education (NAFEO) and the National Association of Universities and Land-Grant Colleges (NASULGC) have endorsed AASCU's *2003 Public Policy Agenda.* I am pleased to include letters of support from their respective presidents.

Sincerely,



Constantine W. Curris
President

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APAHE Endorsement

January 7, 2003

Dr. Constantine W. Curris
President
American Association of State Colleges and Universities
1307 New York Avenue, NW • Fifth Floor
Washington, DC 20005-4701

Dear Dr. Curris:

Asian Pacific Americans in Higher Education (APAHE) views access to higher education as a primary means toward effective participation in American democracy. We endorse the AASCU *2003 Public Policy Agenda* as a continuing effort to advocate for broad and inclusive education for all members of the American community.

The presence of Asian Americans and Pacific Islanders continues to increase in public colleges and universities. We urge AASCU and its affiliated public universities and colleges to be cognizant of the needs of Asian Pacific American students, staff, and faculty and to provide support to ensure their successful participation in higher education.

APAHE will work with AASCU and its member institutions to advance its *2003 Public Policy Agenda.*

Sincerely,

Tim T. L. Dong
President

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Council for Opportunity in Education Endorsement

December 6, 2002

Dr. Constantine Curris
President
American Association of State Colleges and Universities
1307 New York Avenue, NW • Fifth Floor
Washington, DC 20005-4701

Dear Deno:

The Council for Opportunity in Education is pleased to support AASCU's *2003 Public Policy Agenda.* The Council notes with particular pleasure your policies on access and inclusion.

The Council has long recognized AASCU's leadership role in advocating for low-income and disabled students–students for whom the TRIO programs provide a vital support network. Your policy agenda is further evidence of your commitment to assure that public universities continue to provide such students realistic opportunities to attend and succeed in college.

We look forward to working with you to advance these goals.

Sincerely,

Arnold L. Mitchem
President

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HACU Endorsement

December 18, 2002

Dr. Constantine W. "Deno" Curris
President
American Association of State Colleges and Universities
1307 New York Avenue, NW • Fifth Floor
Washington, DC 20005-4701

Dear Deno:

I appreciate receiving an advance copy of AASCU's *2003 Public Policy Agenda*, and am pleased to inform you that the Hispanic Association of Colleges and Universities (HACU) supports this agenda.

As evident from this document, AASCU and HACU share some important higher education advocacy priorities, including targeting federal and state aid to needy students and promoting higher education access and inclusion. It is also encouraging that this agenda supports increased funding for Hispanic-Serving Institutions. As the largest and fastest-growing population in the country, an educated Hispanic workforce is going to be critical to the American future. The *2003 Public Policy Agenda* provides ready guidelines for advancing these and other public higher education priorities.

Thank you for your leadership role in identifying and disseminating AASCU's advocacy priorities through the *2003 Public Policy Agenda*. We look forward to partnering with you on issues of shared concern in the year ahead.

Cordially,

Antonio R. Flores, Ph.D.
President and CEO

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NAFEO Endorsement

December 17, 2002

Dr. Constantine W. Curris
President
American Association of State Colleges and Universities
1307 New York Avenue, NW • Fifth Floor
Washington, DC 20005-4701

Dear Deno:

Thank you for forwarding me a copy of the American Association of State Colleges and Universities' *2003 Public Policy Agenda.* I have reviewed your reauthorization recommendations and agree with your proposals concept. Moreover, I am pleased to know that AASCU will have the interests of students–especially those who are most at risk of being denied the chance to attend college-at the forefront of its public policy deliberations.

We at the National Association for Equal Opportunity in Higher Education look forward to working in partnership with AASCU as we enhance and refine our recommendations regarding the reauthorization of the Higher Education Act, particularly those designed to increase access to higher education for low-income and minority students.

Sincerely,

Frederick S. Humphries,
President and CEO

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NASULGC Endorsement

December 20, 2002

Dr. Constantine W. Curris
President
American Association of State Colleges and Universities
1307 New York Ave., NW • Fifth Floor
Washington, DC 20005-4701

Dear Deno:

It is my pleasure to write to you in support of AASCU's *2003 Public Policy Agenda*. As a fellow higher education association seeking to advance the work of public colleges and universities, NASULGC shares with you a commitment to the key policy issues that you delineate in this document.

The higher education community faces many challenges in the coming year as Congress begins its work on the Higher Education Reauthorization bill. Your policy statement reflects the major elements of these challenges, which we all must monitor and advocate for in our work with the next Congress. I am especially pleased that your policy goals reinforce and contribute to the needs of the 1890 institutions and the Thurgood Marshall entities within our membership. The Office for the Advancement of Public Black Colleges that operates through the sponsorship of both of our associations is committed to advancing these programs in the upcoming reauthorization debate.

Best of luck as you work to advance these priorities in the months ahead. We will be working along side of you toward these same ends.

With all best wishes.

Cordially,

C. Peter Magrath
President

public policy agenda

Highlights

To lead and shape public policy at the state and federal levels, the American Association of State Colleges and Universities (AASCU) annually prepares and releases its *Public Policy Agenda* on issues that impact member institutions. This comprehensive annual review ensures that the association is prepared for informed advocacy on emerging state and federal policy developments.

AASCU's *2003 Public Policy Agenda* particularly emphasizes four areas that will significantly impact member campuses and, more importantly, the students they serve.

Reauthorization of the Higher Education Act

The reauthorization of the Higher Education Act of 1965 (HEA), the law that governs the bulk of federal policy pertaining to colleges and universities, will begin in earnest in 2003. Throughout the year ahead, the higher education community, as well as congressional, White House, and agency staff will identify key issues for reauthorization and formulate proposals related to these issues. These issues will include (but are not limited to):

Status of the Pell Grant Program

AASCU continues to emphasize need-based grants (such as Pell) as the highest student aid priority, and calls on Congress to enact legislative changes that would prevent the funding shortfalls currently plaguing the program.

Borrowing limits for federal student loans

AASCU will advocate for institutional flexibility in setting loan limits for first- and second year students in the federal subsidized loan programs, particularly the ability to set limits below those that may be raised in reauthorization.

Accreditation

AASCU calls for improvements in the accreditation process, but advocates for the retention of the link between accreditation and Title IV eligibility.

Teacher preparation accountability

AASCU reiterates its support for accountability measures on the preparation of teachers that have a clearly defined purpose that is directly related to a legitimate federal interest.

Teacher Preparation and Development

The *Public Policy Agenda* takes up teacher preparation and development questions beyond the Higher Education Act, including:

Emergency credentialing and out-of-field placement

AASCU opposes out-of-field placement and emergency credentialing, and acknowledges the responsibility of colleges and universities for working with K-12 education to address these problems.

Teacher shortages and retention

AASCU advocates for federal and state legislation that will aid in the hiring, recruiting, and retention of highly qualified teachers, especially in high-need areas.

National Security and Internationalization

Significant legislative activity continues in these areas, and areas of focus for AASCU in 2003 will include:

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Implementation of the Student Exchange Visitor Information System (SEVIS)

AASCU pledges its support for the system, including the January 2003 implementation date.

Internationalization

AASCU reiterates its strong support for programs that facilitate student, faculty, and staff exchanges, such as the Gilman Scholarship program (which provides study abroad grants for needy students).

Servicemember benefits

AASCU advocates for increased educational benefits under the Montgomery G.I. Bill, as well as universal access to in-state tuition benefits for active-duty military personnel.

Access and Inclusion

Because state colleges and universities will experience an influx of students from historically underrepresented and disadvantaged backgrounds in the years ahead, AASCU is tackling a number of policy questions addressing this trend, including:

Developmental education

AASCU urges policymakers to take a long-term, comprehensive approach to developmental education, and calls for the establishment of a federal/state partnership initiative to provide resources for institutions enrolling a significant number of academically at-risk students.

Programs for minority-serving institutions

AASCU will advocate for increased grant funding for minority serving institutions (HBCUs, HSIs, and Alaska Native and Hawaiian Serving Institutions) and calls for program changes that will aid previous grant recipients.

Affirmative action

AASCU affirms the principle that racial and ethnic diversity in higher education is a compelling state interest, as articulated in *Bakke v. Regents of the University of California*, and urges states and institutions to affirm the value of diversity and explore legally permissible means to foster that diversity.

In addition to student aid, teacher preparation and development, national security/internationalization, and access and inclusion, the *Public Policy Agenda* addresses issues in the following areas:

- Tax Policy
- Science and Research
- Economic and Workforce Development
- Governance

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Introduction

The American Association of State Colleges and Universities (AASCU) is comprised of more than 425 public colleges and universities and university systems located throughout the United States and its territories. These institutions enroll nearly 3.5 million students, representing more than half of all students enrolled in the nation's public four-year institutions. AASCU member institutions award more than one-third of the nation's bachelor's degrees, more than one-quarter of its master's degrees, and educate the majority of undergraduate students seeking careers in education.

AASCU's primary function in the policy process is to facilitate communication between its members and policymakers. On federal policy issues, AASCU acts in collaboration with and on behalf of its members in working with Congress and the executive branch. AASCU keeps its members apprised of actions in Washington, and ensures that member views and concerns are clearly articulated in federal policy discussions. On the state policy front, AASCU carefully monitors current developments and emerging trends, advocating policies that reflect the principles espoused by the membership, and criticizing policy that runs counter to those principles. AASCU's policy statement regarding state student aid is a key example of this activity.

In 2003, AASCU will advocate for federal and state higher education policy that advances the interests of students and recognizes the unique attributes of its member institutions. The association will pursue its advocacy efforts against a backdrop of economic retrenchment, continued security concerns, and the growing prospect of armed conflict overseas. Moreover, the coming year will bring the reauthorization of the federal Higher Education Act (HEA), which promises significant discussions in a number of key areas. Amid all these developments, marked enrollment growth will present immediate challenges for many campuses, particularly in states where capacity is already an issue. In sum, AASCU and its member institutions will be pressed over the year ahead to articulate policy priorities that will aid the nation in its quest to build human capital for the New Economy.

The *2003 Public Policy Agenda* summarizes AASCU's principles and positions in key areas of higher education policy. The document is intended to serve as a point of reference for the higher education community, federal and state policymakers, and other interested organizations and individuals.

AASCU's public policy positions are founded on an uncompromising commitment to serve the best interests of the nation's students. Accordingly, the positions articulated in the *Public Policy Agenda* are rooted in the following ideals:

Higher education is a common good that serves the interests of society and provides individual returns to students. While the personal gains from higher education are well-established, the societal benefits are even more significant and lasting. These include tangible returns through economic productivity and increased tax revenues, but even more fundamentally, through the promotion of an enlightened citizenry and greater social cohesion.

America's public higher education system is the embodiment of the nation's democratic ideals. State colleges and universities, by educating a majority of the students in four-year institutions, exemplify the nation's unique efforts to provide access to higher education for as many of its citizens as possible.

State colleges and universities are committed to providing access to quality undergraduate and graduate programs, to serving as responsible stewards of the public's investment and trust, and to engaging meaningfully in the economic and social issues facing the communities and regions of which they are a part.

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The responsibility for investing in public higher education should be assumed equitably by all beneficiaries. Students, their families, and federal and state governments share this responsibility.

The primary purpose of federal financial aid is to guarantee access to higher education. This aid should be directed to individual students, and is exemplified by programs such as the Pell Grant.

The primary purposes of state higher education appropriations are to keep student tuition at a reasonable level and to ensure program integrity. Additionally, states should endeavor to coordinate their policies with those of the federal government and institutions, especially on issues pertaining to student access.

Families should be encouraged and empowered to save for and assume their share of the higher education expenses of their student(s).

No American should be denied the opportunity to pursue higher education for lack of financial resources. Affordable public sector tuition and need-based federal aid are the two requisite ingredients for realizing this ideal.

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Student Financial Aid

For today's college students, it is difficult–if not virtually impossible–to imagine a time when public assistance for financially needy students did not exist. Because of the vision and commitment of policymakers over more than a generation, student financial aid, especially at the federal level, is now an article of faith for millions of students and their families.

The vision and commitment that has kept the doors of college open for so many Americans, however, is under stress on two primary fronts:

A slumping economy and significant enrollment growth are severely squeezing basic student access programs such as the federal Pell Grant. At the same time, tuition increases driven by declining state appropriations are eroding the purchasing power of these programs.

The emphasis of public policy on student aid has shifted markedly in recent years from extending access to needy students to addressing the affordability concerns of middle class students and their families.

Unfortunately, many recent state and federal efforts in the student financial aid arena have been largely unfocused and uncoordinated, thereby squandering scarce resources.

AASCU views the upcoming reauthorization of the Higher Education Act (HEA) as a critical opportunity for the nation to reaffirm its proud tradition of providing financial access to higher education for its neediest students. It is a tradition that has brought thousands of professionals to main streets and hometowns to teach our children, care for our sick, and grow our economy.

AASCU proposes a rebalancing of college financing responsibility for needy students. Specifically, AASCU believes that:

All students should have the opportunity for a residential experience at a public four-year institution, as there is an established link between persistence/attainment and the residential experience. Moreover, students with financial need should have access to this experience without resorting to actions likely to hinder persistence/attainment, such as excessive reliance on work and/or consumer debt (e.g. credit cards).

The responsibility for financing this opportunity should be shared by all beneficiaries. For low-income students (i.e. those with zero expected family contribution for financial aid purposes), the preponderance (at least two-thirds) of the financial responsibility should be borne by the federal government through a manageable balance of grant and loan aid. The balance would be the responsibility of students and their families, aided by states and institutions through low tuition and grant aid.

AASCU fully recognizes that this framework poses challenges and trade-offs for all involved, but believes that it focuses on student success while recognizing several basic realities:

Policymakers at all levels are increasingly emphasizing persistence/attainment at the very time that enrollment will grow significantly among historically disadvantaged groups, as well as part-time and older students. To be effective, any effort to boost student success must address financial aid policy.

Public expectations of college access are at an all-time high, particularly among families from historically underrepresented or disadvantaged backgrounds.

Borrowing to finance a college education is a reality at all levels of American higher education. Given that fact,

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> the goal of public policy should be to make borrowing manageable for the most at-risk students, such that student loan default as we know it could cease to exist.

AASCU strongly believes that building a human capital infrastructure for the New Economy must include an unwavering commitment to the success of its most vulnerable college students. Absent this commitment, our main streets and hometowns will fall short of their true potential.

Federal Issues

AASCU's oversight of federal student financial aid policy involves the authorization, appropriation and regulatory processes.

Authorization

The programs authorized by the Higher Education Act of 1965 (HEA) constitute the foundation of the long-standing federal commitment to assist students in financing a college education. As noted above, AASCU will seek a re-balancing of federal student aid efforts through the reauthorization of the HEA. This will encompass policy governing the status of Pell Grants, as well as loan program issues such as borrowing limits and borrower terms.

Appropriation

Grant and work-study funds authorized by the HEA are part of the federal domestic discretionary budget. These programs will help students only if they receive adequate funding through the annual appropriations process.

Regulation

AASCU is actively involved in the negotiated rulemaking process, which the HEA now requires the Department of Education to use in developing all regulations for the student aid programs authorized by the HEA. AASCU focuses special attention on regulations that could result in individual inequities or undue burdens for member institutions.

AASCU will continue to work with Congress, the Administration, students, and other higher education groups to advance the following policy priorities through the proper venues.

Reauthorization of the Higher Education Act

AASCU will initiate discussions with its members, colleagues, and congressional and agency staff in preparation for the reauthorization of the Higher Education Act.

Federal Student Aid

Federal student aid is critical in enabling low- and middle-income students to finance postsecondary education. Federal policy should continue to target the largest resources on the neediest students, and should be sufficient to enable even the poorest students with no parental resources to finance a baccalaureate degree as a resident student at an AASCU institution.

To achieve this goal, federal grant and loan resources will have to cover approximately two-thirds of the total cost of attendance of the lowest income student. Data from the National Center for Educational Statistics (NCES) indicate that low-income students are much more likely to receive federal student aid funds than state or institutional funds.

AASCU supports substantial increases in federal grant funds and institutional flexibility in setting maximum subsidized loan amounts to minimize excessive work and consumer borrowing by students, especially low-income students. NCES data indicate that students working less than 15 hours a week had better persistence rates than those working the average, which was 22 hours a week in AY 1999-2000.

Pell Grants: General

The Pell Grant program is a hybrid program with characteristics of both an entitlement program and a purely discretionary program. The Department of Education pays all eligible students an award based on a maximum award determined each year by Congress in the appropriations process. The program must, however, compete for discretionary funds in that annual appropriations process.

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Recurring Pell Grant funding shortfalls, currently exceeding $2 billion, intensify this competition.

These shortfalls occur because there is substantial lapsed time between: (1) the time each Administration sends a budget to Congress; (2) the time Congress passes an appropriations act specifying a Pell Grant maximum award; and (3) the time the Department of Education issues a payment schedule authorizing institutions to pay specific grant amounts. Program cost estimates have varied widely during this time frame as the number of eligible applicants varies with the economy and demographic factors.

When a shortfall occurs, it is difficult for the appropriations committees in Congress to provide substantial annual increases to the Pell Grant maximum award. Funding that might go to increasing the maximum award is instead used to reduce or eliminate the shortfalls. In the absence of supplemental funding, the shortfalls are carried over to the next fiscal year, and it is difficult for Congress to fund a substantial increase in the maximum award when the program is carrying a large shortfall.

AASCU's Policy Statement

AASCU calls for legislation that changes the way the Pell Grant program is managed and funded. Specifically, AASCU will advocate for three principles that should govern the Pell Grant program:

- Congress will determine annually the maximum award for the Pell Grant program;
- Congress will fund the cost of the Pell Grant program at the level of maximum award it determines; and
- The U.S. Department of Education will pay all eligible recipients the amount that the student is entitled to receive.

Such legislative action called for in 1–3 would make it unnecessary for the Secretary to transmit to Congress a notice of Pell Grant funding insufficiency to satisfy fully all entitlements calculated at the maximum award level set by Congress.

AASCU opposes the Administration's proposal to address Pell Grant shortfalls, which would allow the Administration to reduce the congressionally-set maximum award at the time it issues the payment schedule if appropriated funding is judged to be insufficient.

Pell Grants: Tuition Sensitivity

AASCU's Policy Statement

AASCU favors the continuation of existing tuition sensitivity provisions, which curtail Pell Grant increases for students in institutions with very low tuition/fees.

Pell Grants: Additional Awards

AASCU's Policy Statement

AASCU supports legislative review of the existing authority for students to receive more than one Pell Grant in a calendar year if they are enrolled in programs offering more than one academic year of study during one calendar year. The Secretary of Education can now approve such programs at institutions on a case by case basis, but that authority has not been exercised.

Institutions are beginning to offer such programs in order to permit students to complete a degree more rapidly, such programs being less expensive for the institution, and requiring less borrowing for the student. AASCU believes such programs could be implemented with adequate safeguards to ensure that they do not increase long-term program costs by extending students' Pell Grant eligibility.

Student Loans: Program Structure and Implications for Repayment

The 1998 HEA reauthorization maintained the two currently available federal loan programs:

The William D. Ford Federal Direct Loan program, which uses federal capital for loans; and

The Federal Family Education Loan (FFEL) program, which provides government-guaranteed private loans.

public policy agenda

AASCU's main concern is to ensure institutional and student choice in the loan system. The ability of institutions to decide which of the two loan programs best serves their students has injected a measure of market competition into the system, and has prompted the loan industry and the Department of Education to improve quality of service as a means of attracting institutions. The loan consolidation program in direct lending allows borrowers to "refinance" their guaranteed loans into the direct loan program in repayment, thereby providing access to income-contingent repayment if needed.

AASCU's Policy Statement

AASCU advocates the continued availability of both direct and government-guaranteed loans, based on school choice on the front end, and based on borrower choice upon entry into repayment. AASCU will advocate appropriate improvements that would render these programs more beneficial to borrowers and less cumbersome for institutions. In addition, the association will oppose all efforts to undermine either program by opposing all legislative and regulatory provisions that would impose artificial disadvantages on the efficient operation of each.

Student Loans: Borrowing Limits

Over the more than three decades since the inception of the student loan program, both the number of borrowers and amounts borrowed have increased dramatically.

Since federal loan programs are entitlements, and thus have mandatory funding, no annual appropriations are necessary, and there are no appropriation limits on increases in federal borrowing. The creation of the Federal Unsubsidized Stafford Loan program in 1992 paved the way for a significant increase in debt levels for all students, particularly independent undergraduate and graduate students. That program is less costly to the federal government than the Subsidized Stafford Loan program, but more expensive for students because it does not pay students' loan interest while they are in school.

AASCU is concerned about rising student indebtedness, especially among at-risk students. At the same time, however, AASCU recognizes that student borrowing is and will continue to be a reality of college finance, and that in many cases, federal student loans are a preferred alternative to increased work hours or consumer debt in promoting persistence and degree completion. Accordingly, AASCU will work aggressively for policy that promotes manageable student loan debt and borrowing and repayment terms that first and foremost serve the best interests of students and their families.

AASCU's Policy Statement

AASCU supports amendment of the HEA to allow flexibility for institutions in setting subsidized Stafford loan limits for students in their first and second years of college in the FFEL and Direct Loan programs. This call is guided by three key goals:

Federal grant and loan resources should cover approximately two-thirds of the total cost of attendance at an AASCU institution for the lowest income student;

The largest resources should be targeted on the neediest students, and should be sufficient to enable even the poorest students with no parental resources to finance a baccalaureate degree as a resident student at an AASCU institution; and

Income-contingent and extended repayment should be made available to all borrowers in the FFEL program to reduce the chance of student default and provides greater flexibility to choose a repayment option that is both reasonable and fair.

Further, AASCU recognizes that institutions with higher prices than those charged by member institutions are likely to propose higher limits than are needed for our students. For this reason, AASCU proposes that institutions be given authority to establish lower borrowing limits than the statutory maximum. This policy would be communicated broadly to prospective students.

public policy agenda

AASCU favors a continuation of the policy that permits independent students to borrow an additional $4,000 in unsubsidized loans beyond the subsidized loan limits, in recognition of the fact that independent students do not have access to parental resources. AASCU further supports extending this supplemental borrowing authority to dependent students whose parents are unable or unwilling to borrow under the Parent Loans for Undergraduate Student (PLUS) program because of financial hardship. Current law limits this option to students whose parents are prevented from borrowing under PLUS due to bad credit.

Student Loans: Terms and Conditions

Because of the increasing reliance on student loans, especially by those students most at risk financially, AASCU is committed to working for borrower terms and conditions in the federal loan programs that protect the interests of students and their families.

AASCU's Policy Statements

AASCU advocates the total elimination of origination fees, which represent an unfair tax on student borrowers and the elimination of all other up-front fees for borrowers in both loan programs. The association will voice strong support for all legislative efforts to reduce and ultimately eliminate this hidden tax on students.

AASCU will continue to advocate for low-interest-rate student loans, and will oppose any efforts to increase the cost of educational borrowing.

Student Loans: Student Options for Repayment

There is increasing evidence that the debt-to-income ratio for many students leaving public four-year institutions exceeds 10 percent in the first few years after leaving college; 10 percent is widely regarded as a reasonable limit to ensure that borrowers can repay their loans without excessive financial hardship. Department of Education data indicate that 31 percent of the borrowers from public four-year institutions entering repayment in 1998 had debt-to-income ratios above 10 percent. As borrowing escalates, one major way to make debt payments manageable is to extend repayment when appropriate.

AASCU's Policy Statements

AASCU supports changing the repayment options under the FFEL program to provide extended repayment to all borrowers. Current law restricts extended repayment to borrowers with loans exceeding $30,000. There is no such limit on extended repayment in the Direct Loan statute. Any limits on extended repayment should be regulatory, not statutory, so that they can be adjusted to reflect a balance between manageable payments and avoidance of excessive interest.

Borrowers should receive periodic information from lenders, servicers, and the Department of Education recommending that they review their payments relative to their current financial circumstances.

AASCU supports the extension of income-contingent repayment to the FFEL program. Currently, it is available only to borrowers in the Direct Loan Program.

Student Loans: Defaults

AASCU's Policy Statements

AASCU supports changes to the federal loan programs to eliminate default by ensuring that the Department of Education, the guaranty agencies, and the lenders maintain contact with all borrowers after they leave college, and place borrowers in an appropriate repayment program.

The existing Voluntary Flexible Agreements for guaranty agencies, authorized by Congress in the 1998 Amendments to the Higher Education Act, have been useful experiments in revamping the financial structure of guaranty agencies. Congress should ultimately remove the adverse incentives in current law, which pay guaranty agencies more money if a borrower defaults than if the borrower remains in good status.

AASCU believes that the primary mission of guaranty agencies should be advocacy for borrowers who are having difficulty making loan payments, helping

them when they first become delinquent on loans to understand the repayment options available to them, and expediting the process of revising repayment plans as needed.

If the Department of Education needs further authority to locate borrowers after they have left college, AASCU supports legislative changes to accomplish this, so borrowers do not build up large penalties for non-payment.

Under current law, if borrowers cannot make regular payments on their loans, they can be placed in forbearance. This option should be used only for short periods, since interest continues to accrue and is capitalized. Alternatively, AASCU advocates these borrowers be placed in the Direct Loan Consolidation program, so that they can repay on an income contingent basis.

Student Loans: Consolidation Loans

There is excessive competition in parts of the lending community to consolidate FFEL loans. Borrowers in repayment are contacted repeatedly, often without consumer information that would help them to make an informed decision. Moreover, there is controversy over how many choices borrowers have regarding which financial institution is authorized to consolidate their loans. Further, the borrower interest rate is a fixed rate based on a weighted average of the underlying loans, unlike the Stafford Subsidized and Unsubsidized Loans, which currently carry variable rates not to exceed 8.25 percent. In 2007, interest rates in these programs are scheduled to change to a fixed rate of 6.8 percent. These interest rate anomalies have serious implications for federal cost and student equity.

AASCU's Policy Statement

AASCU strongly recommends that Congress review the Consolidated Loan program thoroughly to ensure that both new and existing borrowers are treated fairly with respect to interest rates, and receive good counseling regarding their financial interests.

Student Loans: Federal Subsidies to Lenders

Currently, the HEA guarantees lenders in the FFEL program a rate of return that is significantly higher than the interest rate paid by students. The federal payments providing this higher rate of return (called special allowance payments) are entitlements to lenders.

AASCU's Policy Statement

AASCU supports ongoing review of the special allowance payments formula to ensure that lenders are appropriately compensated but that payments are not excessive, thereby limiting funding available for student benefits.

Return of Title IV Funds

AASCU's Policy Statement

AASCU supports revisions to HEA provisions that are unduly harsh on many high-risk, low-income students who used federal funds to attempt postsecondary education.

Nontraditional Programs

AASCU's Policy Statement

AASCU supports a thorough review of the current statute and regulations affecting eligibility for and delivery of Title IV aid for students enrolled in non-traditional programs, including distance education. Existing regulatory and statutory attempts to use time limits as a proxy for academic quality should be reconsidered.

Institutional Ownership and Control

AASCU's Policy Statement

AASCU supports clarification of institutional ownership provisions in the HEA to underscore their non-applicability to non-profit public and private institutions.

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Non-germane Student Aid Eligibility Requirements

AASCU's Policy Statement

AASCU supports the elimination of non-germane aid eligibility requirements, such as those related to drug convictions and Selective Service registration.

Appropriations

Need-Based Grants and Work Study

Need-based student aid remains AASCU's highest priority. Unlike federal loans, which are funded as entitlements, federal grant and work study dollars are discretionary budget items. Therefore, Congress appropriates funding for these items on an annual basis. AASCU believes that need-based aid programs, particularly Pell Grants, are the highest priority federal programs for students to achieve both access and opportunity in higher education. Pell Grants are the most efficient and effective delivery mechanism for ensuring broad higher education access and opportunity. In a time when competition for economic resources is intensifying and the benefits of higher education are increasingly being viewed in individual rather than societal terms, advocacy for need-based programs is more critical than ever.

Pell Grants

The federal Pell Grant program is the cornerstone of the federal government's student financial assistance programs. The program provides need-based grant aid to millions of low- and moderate- income students, and, at a funding level of approximately $10.5 billion for fiscal year 2002, is the largest discretionary federal student aid program. For more than a quarter-century, Pell Grants have been instrumental in helping millions of Americans attend college.

Despite its proven track record of success, the Pell Grant program has not consistently received the appropriations necessary to fund either the authorized increases in program funding or the funding needs created by enrollment increases. Authorizing committees have increased the maximum allowable award levels in each reauthorization, in the hope that appropriations committees could follow through with substantial additional funding.

Although the Pell Grant program has received sizable funding increases in recent years, these increases have not increased the maximum award sufficiently to meet authorized targets in the statute. It is very costly to increase the maximum award–the Department of Education estimates that it costs over $300 million to increase the maximum award by $100. Over half the Pell Grant eligible students have income so low that they have no expected family contribution and increasing numbers of students have been applying for federal aid because of the economic downturn.

AASCU's Policy Statement

AASCU will continue to advocate for significant increases in the Pell Grant maximum award as the most effective way to ensure access for the nation's neediest students and to address the growing imbalance between grants and loans as a percentage of total federal financial aid awarded.

Supplemental Education Opportunity Grant (SEOG)/College Work Study (CWS)

The Federal Supplemental Education Opportunity Grant (SEOG) and College Work Study (CWS) programs also provide essential need-based student assistance, promoting timely program completion with minimal student indebtedness.

AASCU's Policy Statement

AASCU will continue to advocate for significant increases in SEOG and CWS programs as essential elements of federal need-based aid. Further, AASCU encourages its member institutions to maintain their commitment to applying a portion of their CWS funding to support the America Reads program.

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Regulation

Gatekeeping, Accountability, Accreditation, and Program Integrity

In our constitutional system, public colleges and universities are principally accountable to the states, which are vested with primary funding and policymaking authority. Institutions are secondarily accountable to the federal government for the responsible stewardship of federal funds. Policy discussions of accountability issues must recognize these parameters.

The current framework for ensuring program integrity in federal student aid programs has evolved over the three decades of the programs' existence, and consists of a patchwork of statutory and regulatory provisions that were often created in response to specific problems. There are a large number of federal provisions in statute and regulation aimed at strengthening program integrity and curbing waste, fraud, and abuse.

AASCU strongly advocates for a reduction in the number and scope of federal regulations. AASCU believes that the current "one size fits all" approach to gatekeeping and oversight should be replaced by a system of equitable and appropriate regulation of participating institutions by type and control. Such an approach would allow the Department of Education to focus its limited enforcement resources on problem schools, and alleviate the unnecessary burdens imposed on other institutions.

Provisions in current law protect consumers and taxpayers by requiring that all institutions be accredited as a condition of participating in Title IV programs. The federal government is responsible for recognizing agencies or associations that perform the function of assessing quality of education. Accreditation of higher education institutions is self-regulated and based on the voluntary membership of institutions. The practice of accreditation enjoys a successful 50-year history in the application and enforcement of standards that gauge student achievement in relation to the institution's mission, including (as appropriate), consideration of course completions, state licensing examinations, and job placement rates.

Accreditation works well, but it could be improved. The acceptance of status quo does not maintain the public trust. To reinforce commitment to maintain this trust, we suggest that accreditation reports of institutional reviews be made public by either the review authority or the institution. Accreditation is viewed as a bulwark to protect the American people against fraud and abuse. The protection afforded by accreditation is needed especially for the most at-risk and economically disadvantaged populations. Agencies or associations responsible for assessing the quality of education in a self-regulated and voluntary environment must step up their efforts to streamline and strengthen accreditation.

AASCU's Policy Statements

AASCU supports current law that calls for the federal government (Secretary of Education) to determine the legal authority to operate within a state, the accreditation status, and the administrative capability and financial responsibility for institutions of higher education that expect to qualify for participation in programs under the HEA. The federal government should continue to exercise oversight through its current role of recognizing agencies or associations that perform the function of assessing quality of education.

AASCU will work with the Congress, other members of the higher education community, and with student and consumer advocacy groups to ensure that program integrity provisions are streamlined and strengthened. Specifically, the use of accreditation coupled with appropriate program performance criteria would be preferable to the current pattern of micro-management of institutions by the federal government.

AASCU will advocate the removal of regulatory and statutory obstacles to student eligibility for federal aid for non-traditional programs, including distance learning, and the streamlining of the delivery of aid for these programs.

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Performance Based Organization for Student Aid Management

The HEA reauthorization made major changes to the structure of the Department of Education with the creation of a new Performance Based Organization (PBO) within the Department for the management of student financial assistance. The PBO is an important concern for the association, as is the Office of Postsecondary Education (OPE). OPE is separate from the PBO and is headed by the Assistant Secretary for Postsecondary Education, who oversees policy development for all higher education programs and the operation of non-student aid programs.

AASCU's Policy Statement

AASCU will closely monitor the efforts of the PBO in modernizing the delivery system, as well as the interaction between the PBO and OPE, whose functions are often difficult to separate.

Federal/State Issues

Leveraging Education Assistance Partnerships (LEAP) Program

Formerly known as the State Student Incentive Grant (SSIG) Program, LEAP provides a relatively small but important incentive for states to maintain or bolster their need-based grant efforts, especially given the increasing state-level push for merit-based aid. In recent years, federal policymakers have increasingly questioned the continued need for the program, pointing to the existence of a need-based student aid program in virtually every state. The vast majority of state-level need-based spending, however, is concentrated in a handful of states, and many states rely on LEAP to supplement their modest aid efforts. AASCU believes that the program is needed, but should be refocused to provide a real incentive for states that currently have weak or non-existent need-based aid programs.

AASCU's Policy Statement

AASCU will advocate for the continuation of the LEAP program, and will press Congress for changes in the program's allocation formula to provide a greater incentive for states with marginal need-based aid to enhance those efforts.

State Issues

Non-Need-Based Student Aid

The past decade has seen a considerable shift in state policy for aiding college students, marked by an increasing focus on goals such as academic preparation and the prevention of "brain drain." The result has been the rise of a "new generation" of grant and scholarship programs, with most emphasizing academic merit over financial need. AASCU lauds the intent of these programs, but believes that they have largely been executed in a fashion that squanders increasingly scarce state resources, subsidizing the consumption of some students at the expense of access for others.

AASCU's Policy Statement

AASCU firmly believes that need-based student aid commands higher priority in state policymaking than merit-based aid. Moreover, states should establish and maintain student grant and scholarship programs that balance the legitimate desire to reward performance with the very real need to extend higher education opportunity to the economically disadvantaged and other historically underrepresented groups. Specifically, AASCU calls on states with broad-based merit aid programs to adopt or maintain progressive policies regarding financial eligibility for these programs (i.e. eligibility is phased out as income rises). Additionally, states should take care to develop aid programs that fit their particular situations and policy goals, and that work in concert with federal and institutional aid initiatives.

National Security and Internationalization

In recent years, American colleges and universities have faced increasing demand to become more internationally oriented. Rapidly emerging technologies, evolving trade relationships, and growing cultural awareness have accelerated this demand.

The dramatically renewed specter of terrorism, however, requires the nation to take unprecedented measures to protect its citizens while remaining globally engaged. Higher education institutions, with their historical commitment to plurality and diversity, as well as their long-standing contributions to the nation's defense, stand at the crossroads of these demands.

In fact, the Phase III Report of the Commission on National Security/21st Century, issued nearly seven months before the tragedy on September 11, 2001, declared that "inadequacies of our systems of research and education pose a greater threat to U. S. national security over the next quarter century than any potential conventional war that we might imagine." To that end, AASCU is working to convince America's national leadership that we must invest substantially and wisely to rebuild our strengths in scientific research and education in order to secure the nation's strength and security in the 21st Century.

Federal Issues

Immigration and Visa Control of Foreign Students

One of the effects of the events of September 11 has been a re-examination of the nation's immigration laws and policies. The process of approving students for study in the United States is receiving particular scrutiny from Congress, as is the monitoring of these students once they arrive. Congress threatened a blanket moratorium on the issuance of new student visas, but AASCU worked to defeat this proposition. AASCU successfully advocated for a new class of student visas that would allow part-time students to remain at campuses near our borders. Additionally, AASCU continues to support the modernization of the nation's visa system. Modern technology will help identify and track legitimate student visa holders while they are in the United States for their entire course of study. Further, AASCU supported the Office of Technology Policy's proposal to monitor students the entire time they are on a campus and be alerted if an international student changes their major to a program of study in a sensitive subject.

President Bush and the Congress have created a new cabinet level department. The Department of Homeland Security will reorganize the Immigration and Naturalization Service by splitting it into two main areas of responsibility - enforcement and operations. All responsibilities for homeland security are currently dispersed among more than 100 different entities of the federal government and nearly 90 congressional committees with jurisdiction over functions that would become a part of the new department.

AASCU's Policy Statements

AASCU will work with the President and the Congress to support full implementation of the Department of Homeland Security.

AASCU supports the modernization of the nation's visa system, including the adoption of appropriate biometrics (i.e., fingerprinting and more technologically advanced methods) that identify visa holders. AASCU also supports federal funding for the Student Exchange Visitor Information System (SEVIS), and offers its unequivocal support for the SEVIS system. AASCU pledges full support for the implementation of the system by January 30, 2003.

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AASCU will continue to advocate for legislation and regulations that streamline the visa process for students, faculty, and administrators. Similarly, AASCU will work to simplify federal regulations that hinder the successful development of international programs or severely restrict the access of foreign students to American institutions.

Internationalization

While the events of September 11 have underscored the need for strong homeland security and national defense, they have also powerfully reminded the nation of its inextricable relationships with the world community, as well as the vital importance of better awareness and understanding of its global neighbors. AASCU strongly believes that higher education institutions, as primary agents of intellectual and cultural exchange, must maintain and enhance their international outlook in the world that is emerging.

AASCU's policy focus for internationalization will center on those activities that create new opportunities for students and faculty from AASCU campuses to study or work abroad, to major in or research international fields of study, to develop a high-level proficiency in foreign languages, or to pursue careers in international service.

AASCU will also work for programs that would assist campuses in hosting students and faculty for study, research and teaching. These programs would facilitate the creation of strong partnerships in professional and technical fields such as business, education, the environment, economics, health and information technology.

AASCU's Policy Statements

AASCU supports federal legislation that gives authorizing and funding priority to programs that facilitate student, faculty, and administrator exchanges and study abroad such as the International Academic Opportunity Act. This act created the Benjamin A. Gilman International Scholarship Program, which authorizes grants of up to $5,000 to American college students of limited financial means for study abroad.

AASCU will continue to actively participate in the Coalition for International Education, which supports legislation and increased appropriation for three important international programs managed by the Department of Education: Title VI, Fulbright-Hays, and the Institute for International Public Policy.

Support for Military Personnel

State colleges and universities have a proud history of supporting the nation's military personnel, as demonstrated by AASCU's special 50-year relationship with Servicemembers Opportunity Colleges. AASCU will work with the military to ensure that servicemembers receive the education and training they need to face the demands of a constantly changing world.

AASCU's Policy Statement

AASCU favors an increase in the number of campuses hosting ROTC programs. Additionally, AASCU will promote the fulfillment of the nation's obligations to its military personnel, especially with respect to the Montgomery G. I. Bill and the voluntary postsecondary education of active-duty servicemembers.

AASCU will continue to support efforts by the Coalition of Veteran and Education groups that sets payments for recipients of the Montgomery G. I. Bill using a formula that calculates that payment on the average tuition/fee cost of a resident student attending a four-year public institution.

Federal/State Issues

Treatment of Students Called to Active Military and Protective Duty

In the wake of September 11, the demand for military, police, and other protective service personnel has risen sharply. The likelihood of a major call-up to active military duty has risen. As local, state, and federal policymakers develop long-term strategies for promoting national security and public safety, campuses nationwide–and their students–will undoubtedly be affected.

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AASCU's Policy Statements

AASCU strongly urges federal and state governments, as well as institutions of higher education, to adopt and maintain policies that permit maximum flexibility and discretion—with appropriate accountability—in meeting the educational and financial aid needs of students called to military or other protective service. This includes, but is not limited to: refund of tuition and other institutional charges, return of financial aid awards, and re-enrollment options. Student aid recipients who withdraw from school because they are called to active duty, or are otherwise affected by mobilization or terrorist attacks, should not be required to return financial aid funds they received for books and living expenses.

AASCU supports actions by the U. S. Department of Education to postpone student loan payments for borrowers during the period of the borrower's active duty service.

AASCU supports waivers to grant temporary relief to institutions of higher education, lenders and guaranty agencies involved in student assistance programs within officially declared disaster areas.

AASCU supports access to in-state tuition for active-duty military personnel and their dependents when serving under military orders in a given state.

Privacy Concerns and National Security Measures

Redoubled efforts to investigate and prevent acts of terrorism have once again sparked debate over the robustness of current law designed to safeguard students' right to privacy and restrict access to certain student information. While present and future threats demand swift action, they also demand caution, recognizing that colleges and universities are indeed the embodiment of the nation's democratic ideals.

AASCU's Policy Statements

AASCU favors targeted expansion of law enforcement authority to access information that will aid security efforts, provided that such authority does not unduly compromise privacy rights, impair civil liberties, or create a climate that suppresses scholarly inquiry or free expression.

For instance, AASCU supports provisions of the USA PATRIOT Act of 2001 that amend the Family Educational Rights and Privacy Act (FERPA) by expanding law enforcement access to student records pursuant to an *ex parte* court order. Specifically, AASCU endorses:

The waiver of liability for educational agencies and institutions that act in good faith to comply with the law; and

The December 31, 2005 sunset of these provisions, which allows for their review and revision in an appropriate timeframe.

However, AASCU believes that actions to confer or revoke basic rights for citizens or their government, once taken, are not easily reversed. Accordingly, AASCU will oppose any broad-scale expansion of FERPA exemptions, and calls on the Department of Education to periodically examine and evaluate the current exemptions. Moreover, AASCU calls on Congress to revisit the whole of FERPA to better align it with contemporary demands and risks.

AASCU urges states to revisit their privacy and open meetings/records laws, with an eye to ensuring that these laws appropriately balance the changing needs of law enforcement with the unchanging demand to protect the civil liberties that distinguish our nation from those that would harm it.

AASCU endorses the report of the Markle Foundation's Task Force on National Security in the Information Age, entitled *Protecting America's Freedom in the Information Age*. AASCU agrees with the report's findings that safeguarding privacy, particularly that of students, can be maintained without having to compromise national security.

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Requirements for Secure Handling of Biohazardous Materials

The USA PATRIOT Act of 2001 included provisions related to the disclosure of student educational records, the possession of certain bio-agents, expediting the foreign student-monitoring program, access to business records, and Internet service provider responsibilities.

The Public Health Security and Bioterrorism Preparedness and Response Act of 2002 is a comprehensive $4 billion package designed to improve preparation for and response to bioterrorist attacks. The legislation includes new funding initiatives to help hospitals prepare for bioterrorism threats, new research initiatives focused on biotoxins and new requirements for researchers who work in labs with the "select agents" list of biological agents and toxins. Universities will also be eligible to apply for grants to help ensure the security of laboratories used to conduct food and agricultural research.

AASCU's Policy Statement

AASCU supports federal and state legislation and regulation that is judiciously developed to provide for essential security safeguards for secure handling of and accountability for biohazardous material at colleges and universities.

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Tax Policy

A sluggish economy and the resulting revenue woes at the federal and state levels have cast recent debates over tax policy into sharper focus. The debates center around issues such as whether or not further tax cuts are advisable, whether tax increases should be broad-based or targeted, or which activities should be promoted or discouraged through the tax code. While spending and security questions will continue to dominate legislative agendas, state and federal policymakers will be forced to confront significant tax policy questions in the year ahead.

A number of these questions will directly affect state colleges and universities and the students they serve. At the federal level, extension of tax benefits to student borrowers and modification of the Taxpayer Relief Act programs, as well as charitable giving provisions, will await the 108th Congress. At the state level, growing gaps between service demands and revenue capacity are prompting discussions of structural changes in revenue systems.

Amid the current and looming debates over taxing and spending, AASCU calls on state policymakers to ensure sufficient tax revenues to support institutions offering quality higher education, and exhorts federal lawmakers to maintain revenues adequate to fully fund the Pell Grant and other programs essential for maintaining access to higher education opportunity.

Federal Issues

Policy Affecting Student/Family Borrowers

Recent data underscore the fact that students and their families are increasingly turning to borrowing to finance postsecondary education, even at the lowest-priced institutions. This is a reality not likely to change in the foreseeable future, if ever. As a result, AASCU believes strongly in tax policy that benefits student loan borrowers, particularly those from low-income and at-risk populations.

Student Loan Interest Benefits

While federal tax policy has recognized the need to provide relief to student loan borrowers in repayment, there is much more to be done to ease this burden, especially for those borrowers most at risk of default.

AASCU's Policy Statement

AASCU, working with the Public Interest Research Groups (PIRG) and other groups, will actively pursue legislation in the 108th Congress that would provide a tax credit for student loan interest paid by low-income borrowers.

Tax Treatment of Student Loan Forgiveness

Income-contingent student loan repayment was developed to help low-income borrowers honor their debt obligations instead of lapsing into default. Current tax policy, however, negates this positive incentive by treating the amount of any loan forgiveness as taxable income. This "catch-22" makes no policy sense, as it works at cross-purposes with default aversion, and even less fiscal sense, as its impact on the federal budget is marginal, at best.

AASCU's Policy Statement

AASCU will advance a proposal in the 108th Congress to establish a federal tax exemption for loan forgiveness proceeds for borrowers in the income-contingent repayment program.

Tax Provisions Affecting College Saving

Since the mid-1990s, states and the federal government have taken a number of steps to encourage families to save for college expenses, establishing college savings plans, prepaid tuition plans, and education IRAs. To further encourage savings, state and federal legislation has provided favorable tax treatment for these programs through tax exemptions for their earnings. The General Accounting Office (GAO), however, has pointed out that the treatment of these tax-exempt earnings is unclear for the purpose of applying for student financial aid. This lack of

clarity leads to confusion among students and their families, resulting in students receiving more or less aid than they should otherwise receive.

AASCU's Policy Statement

AASCU supports the GAO recommendation to the Department of Education to develop a policy specifying whether untaxed interest earnings from prepaid tuition plans, college savings plans, or Coverdell Education Savings Accounts should be considered untaxed income and included in the calculation of expected family contribution (EFC). Further, AASCU believes that such earnings should not be considered as income and therefore excluded in the EFC calculation.

HOPE Scholarship and Lifetime Learning Tax Credits

According to recent research, at least 40 percent of the nation's undergraduate students received benefits from either the HOPE Scholarship or Lifetime Learning Tax Credits, established as part of the Taxpayer Relief Act of 1997. Because these programs now represent an estimated $6 billion worth of annual tax expenditures, AASCU will continue to advocate for policy changes that will extend the programs to more students and reduce their administrative burden for colleges and universities.

Prioritization of Aid Efforts

Because the HOPE Scholarship and Lifetime Learning Tax Credits heavily favor students already likely to attend college, AASCU believes that these growing programs should be modified to embrace more low-income students and offer currently eligible students a more substantial benefit. AASCU further believes that these programs should not form the core of federal effort to aid students.

AASCU's Policy Statement

AASCU will continue to advocate for changes in the HOPE and Lifetime Learning Tax Credits that will make them more accessible to the neediest students, including refundability, expansion to non-tuition expenses, and for removal of the offset against Pell and SEOG awards. However, AASCU considers federal financial aid programs that more directly benefit the neediest students (i.e. Pell Grants) a higher policy priority than expansion of tax benefits.

Program Administration/Reporting

The Hope Scholarship and Lifetime Learning Tax Credits also impose a significant administrative burden on state colleges and universities. While there have been legislative and regulatory moves to mitigate this burden (e.g. removal of institutional reporting requirements regarding full tuition waivers and taxpayers with dependent students, clarification of refund treatment), AASCU believes that the primary reporting responsibility for this program should rest with beneficiaries, rather than institutions.

AASCU's Policy Statement

AASCU will continue to pursue the repeal of the current administrative and reporting provisions of the HOPE and Lifetime Learning Tax Credits, and replace them with a reporting structure that is simpler and less burdensome for institutions.

Tax Provisions Affecting Charitable Giving

Because state colleges and universities are becoming increasingly reliant on private gifts to support their infrastructure and activities, policy affecting charitable giving now assumes a higher profile. In their deliberations, policymakers must acknowledge this reliance, and should consider policies that promote institutional flexibility in this area.

AASCU's Policy Statements

AASCU will support legislation that would permit individuals to transfer proceeds from an Individual Retirement Account (IRA) tax-free to charitable and other non-profit organizations.

AASCU will support legislation that would allow taxpayers that do not itemize deductions on their federal income tax returns to claim a deduction for charitable contributions.

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Federal/State Issues

Repeal of the Federal Estate Tax

The 107th Congress approved–and President Bush signed–a phased 11-year repeal of the federal estate tax, a move that will reduce state revenues because of "piggybacking" provisions and will likely hamper giving to public colleges and universities. The Bush Administration and many in Congress are now pushing to make the repeal permanent, with little regard for the impact of such a move on states and charitable organizations. AASCU firmly believes that such a move would be ill-advised, and that alternative proposals can and should be considered.

AASCU's Policy Statement

AASCU joins with the Council for Advancement and Support of Education (CASE) in opposing a permanent extension of the federal estate tax repeal, and calls on Congress to instead consider estate tax reforms that balance the needs of farms and small businesses with those of states and charitable organizations. Moreover, AASCU believes that any reform of the estate tax should not reduce federal revenues such that key federal funding obligations cannot be fulfilled.

Taxation of Electronic Commerce

In 1992, the U. S. Supreme Court ruled (*Quill Corp. v. North Dakota*) that states could not levy sales taxes on items purchased remotely unless the seller has physical presence (nexus) in the state. The subsequent rise of Internet-based taxation now renders this precedent a threat to state revenue systems, with likely revenue losses now in the billions of dollars. Congress, however, has refused to address this issue, failing to take up legislation that would permit states to take steps that would enable them to tax e-commerce if they choose. AASCU firmly believes that issues regarding the taxation of electronic commerce are best resolved by the collaboration of states, and that continued inaction on Capitol Hill will only exacerbate the gap between state revenues and funding needs for services such as higher education.

AASCU's Policy Statement

AASCU urges Congress to pass legislation authorizing states to form a compact that will facilitate the creation of a streamlined interstate system for collecting taxes on e-commerce and empower states to decide for themselves whether or not to levy such taxes. Moreover, AASCU supports the efforts of the Streamlined Sales Tax Project (SSTP), a coalition of 33 states that is working to bring greater simplicity and consistency to state sales tax systems.

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Science and Research

AASCU institutions will play an essential role in providing the requisite science and technology education and training for a competitive workforce in the global economy of the 21st Century.

Federal Issues

AASCU's involvement with science and research policy at the federal level encompasses three processes: authorization, appropriation, and, where appropriate, regulation.

Authorization

Congress passed legislation in the 107th Congress which reauthorized the National Science Foundation (NSF). The NSF was created by Congress in 1950 to promote the progress of science; advance the national health, prosperity, and welfare; and to secure the national defense.

Appropriations

AASCU will advocate for funding increases for undergraduate, applied research, and education and training programs in science, mathematics, engineering, and technology across the federal agencies.

Authorization

National Science Foundation (NSF) Reauthorization

Undergraduate science, mathematics, engineering and technology education are critical components of the education pipeline, and serve as vital links for ensuring a highly skilled and technologically literate workforce. The current NSF Doubling Act includes a streamlined version of the Technology Talent Act and no provisions for a broader undergraduate agenda. AASCU institutions will be able to improve science, mathematics, engineering and technology curricula and student outreach activities, as well as increase the number of technically trained Americans with enhanced provisions in the reauthorization measure. Additionally, it is vital that the NSF support emerging research universities, access to research-grade instrumentation, undergraduate research experiences, and a minority serving institution program to bolster efforts for science and technology education at the undergraduate level.

AASCU's Policy Statements

AASCU will work to ensure that the reauthorization of the NSF strengthens the agency's commitment to science and mathematics teacher preparation through the Mathematics and Science Partnerships (MSP) Initiative. MSP brings states and local school districts together with the science, engineering, mathematics, and education departments of higher education institutions to strengthen math and science at the elementary and secondary levels.

AASCU strongly supports efforts to maintain and strengthen the NSF's Division of Undergraduate Education. To that end, AASCU will work to ensure that the reauthorization of the NSF strengthens the agency's commitment to science and mathematics undergraduate education and efforts to increase the numbers of women and minorities in the sciences. AASCU further calls on the NSF to address the financial and programmatic needs of its emerging research universities.

AASCU supports the recommendations included in the NSF report entitled *Shaping the Future: New Expectations for Undergraduate Education in Science, Mathematics, Engineering and Technology*. In particular, AASCU worked with Congress to ensure the passage of the bill doubling the NSF's undergraduate program funding by 2006. Its success is a victory for the university community on both the undergraduate and graduate levels.

AASCU supports efforts to include provisions from H.R. 3130, the Undergraduate Science, Mathematics,

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Engineering and Technology Education Improvement Act, into the final NSF reauthorization bill. AASCU strongly believes that measures such as the Technology Talent Act and the Institutional Reform and Faculty Development provisions in H.R. 3130 will greatly strengthen the nation's colleges and universities.

Appropriations

Science Research, Health, Education and Training

In the higher education arena, science policy has been traditionally viewed in the context of basic research and graduate education at major research universities. Yet, as our economy and society become increasingly dependent upon information and knowledge, the need for all citizens to be well versed in the sciences will continue to grow. Therefore, AASCU members must be engaged in science research education policy.

As the higher education providers with a significant responsibility for preparing the nation's educators, AASCU institutions have a special stake and unique role to play in formulating the nation's science education policy.

Additionally, as AASCU members annually graduate more than 50 percent of the baccalaureate degrees conferred in nursing, it is important that AASCU join forces with the nursing community to address the nation's nursing shortage, as well as other policy matters related to preparing and supporting our nation's nursing workforce.

AASCU's Policy Statements

AASCU believes that policymakers must recognize the contributions of each sector of the higher education community when making policy decisions concerning science and mathematics research, education, and information technology. The resources of the entire higher education community must be tapped when gathering and using data, establishing advisory boards, and creating and implementing science, mathematics, engineering, and technology programs.

AASCU believes that the federal government must play a strong role in funding activities to support and improve basic and applied scientific research and education activities for undergraduate programs, in order to complement established graduate and research programming.

AASCU will advocate for increased funding for programs that address faculty and curriculum enhancements, instrumentation, undergraduate research and education, teacher preparation, and programs to recruit non-traditional students into the sciences.

AASCU will support increased funding for programs under the Nursing Education Act, as well as increased funding for the National Institute of Nursing Research (NINR).

National Institutes of Health (NIH)

AASCU's Policy Statement

AASCU believes that the National Institutes of Health (NIH) should continue its strong commitment to graduate programming while taking a more active role in undergraduate research and education. To this end, AASCU will advocate for increases in funding for the Academic Research Enhancement Award (AREA) program and support efforts to establish new opportunities for undergraduate research and education.

Agricultural Research

The food and farm sector (FFS) accounts for roughly 12.8 percent of the nation's Gross Domestic Product (GDP). The FFS includes actual farming and related economic activities, which covers the entire process of transforming agricultural commodities into consumable goods including food. In 2001, however, the federal government spent only 3.7 percent of the total federal budget on agricultural related activities, of which 73.5 percent is mandatory agricultural spending. Of the $18.2 billion spent in discretionary agricultural accounts, only 11.5 percent ($2.1 billion) is spent for agricultural research, education, extension, and

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economic (AREEE) programs, which is primarily where AASCU member institutions receive funding.

AREEE funding is largely directed to land grant institutions. However, non-land-grant AASCU members, particularly the AASCU members of its affiliate association, the American Association of State Colleges of Agriculture and Renewable Resources (AASCARR), play an ever-increasing role in agricultural research, education, service, and economic activities throughout the country.

AASCU's Policy Statements

AASCU will advocate for increased appropriations for the Department of Agriculture's research, education and economic programs.

AASCU will seek to increase competition within agricultural research, education, service and economic programs, so that all AASCU member institutions with agriculture related programs have equal access to these funds.

AASCU will seek to institute a capacity building program through the Department of Agriculture to assist non-land grant institutions in fulfilling and expanding their role in agricultural research, education, service, and economic activities.

Applied Research

AASCU institutions are capable of providing applied research opportunities in a wide array of fields. One example of this is teacher preparation, where research efforts are aimed at discovering and examining the characteristics of successful teachers, the manner in which students learn, and the most effective organization of classrooms and schools.

AASCU's Policy Statement

AASCU's advocacy activities will seek to expand federal support for applied research funding among a wide array of federal agencies that will benefit institutions and the students they serve.

Information Technology

As developers and purveyors of knowledge and information, colleges and universities cannot simply follow trends in information technology; they must be at the leading edge of those trends. Accordingly, public policy related to information technology, intellectual property, and related topics must recognize the special responsibilities and challenges that higher education institutions face in the unfolding Information Age.

For example, in order for colleges and universities to provide real-time video streaming distance education over the Internet and for students to view these courses, both institutions and students must have access to high-speed networks. Access to broadband networks will also permit faculty and students at one institution to use equipment at another institution.

AASCU's Policy Statements

AASCU will advocate for the expansion of current programs and the creation of new programs to assist non-Internet2 institutions gain access to high-speed networks. AASCU will also support efforts by the Federal Communications Commission (FCC) and Congress that encourage the telecommunications industry to provide broadband services to a greater percentage of consumers so students will have access to such networks in their homes.

AASCU will advocate for restored funding for the Learning Anytime, Anywhere Partnerships (LAAP) program administered by the Department of Education and increased funding for the Technology Opportunities Program (TOP) administered by the Department of Commerce.

AASCU will support efforts to update copyright law to fully reflect the growing use of digital technologies in higher education. Students and faculty must continue to have access to copyrighted materials with the advent of digital technologies.

public policy agenda

AASCU will continue to participate in the Higher Education Alliance for Information Technology, to ensure that public higher education is properly represented in decision making process on information technology policy.

AASCU supports the Millennium Partnership Initiative proposed by the National Association of State Universities and Land-Grant Colleges (NASULGC). The Millennium Partnership would include: (1) federal block grants matched with state and private sector funds that would support academic and technological infrastructure programs at colleges and universities; and (2) a multi-agency federal competitive grants program to support distance education and other means of integrating technology into traditional curricula, and partnerships between higher education institutions and K-12, business and local communities.

Teacher Preparation, Development and Support

The education of America's children is one of the premier policy challenges facing the nation today. Research and common sense tell us that teachers are the key to successful schooling. The quality preparation of America's teachers is of foremost concern to AASCU members, as AASCU institutions educate a majority of the nation's undergraduate students who are preparing for a career in teaching. In 2002, the Congress and President Bush enacted the No Child Left Behind Act (NCLB), which requires all teachers to be "highly qualified" by the 2005-06 school year. This requirement creates new opportunities and challenges for AASCU institutions and others that are involved in teacher preparation.

While grappling with this new challenge, it is important to recognize the distinct state and federal roles in the area of teacher preparation. States are responsible for the approval of teacher preparation programs, both traditional and alternative. States are also responsible for the credentialing of teachers. The appropriate federal role in teacher preparation is to provide incentives for states and institutions to improve teaching and learning for the benefit of all children. In addition, it is appropriate for the federal government to collect and publish information about state and institutional activities related to teachers and teacher preparation for students and the general public.

Federal Issues

AASCU's involvement with teaching and learning policy at the federal level encompasses three processes: authorization, appropriation, and regulation.

Authorization

The reauthorization of the Higher Education Act (HEA) provides an opportunity to improve the educational continuum–recruitment, pre-service, induction, and in-service professional development of teachers. The 1998 amendments saw the creation of not only the Title II reporting system for teacher preparation, but also the establishment of a new competitive grant program, the Teacher Quality Enhancement (TQE) grants. TQE grants fund partnerships for the purpose of improving the entire educational continuum. In addition to supporting partnerships, it is important to recognize that the HEA is an appropriate legislative vehicle for improving the capacity of teacher preparation and affiliated programs at institutions of higher education.

AASCU's Policy Statements

AASCU supports the modification of existing federal legislation, as part of the HEA reauthorization, to provide resources to institutions of higher education (IHEs) for the purpose of improving their role in the educational continuum and the overall quality of America's teachers.

AASCU supports partnerships that require the participation of IHEs, local education agencies (LEAs), and the appropriate state and/or local authorities responsible for teacher education program approval, teacher credentialing, and the establishment of K-12 standards.

Federal/State Reauthorization Issues

Teacher Shortages and Retention

The imminent retirement of current teaching professionals and measures to reduce class size, combined with the impact of low teacher retention rates, are estimated to produce a significant teacher shortage. According to the National Center for Education Statistics report, *Predicting the Need for Newly Hired Teachers in the United States to 2008-2009*, the nation will need between 1.7 and 2.7 million newly hired teachers by the 2008-2009 school year.

public policy agenda

Policymakers must continue to recognize the importance of supply and demand dynamics in the teaching profession, and craft policies that increase the supply of highly qualified teachers, as required by the NCLB Act. The HEA contains provisions to provide loan forgiveness to teachers, which is one mechanism for addressing recruitment issues. However, additional actions are needed to address not only recruitment, but also preparation, induction and retention. These actions should address all teacher shortages, but particularly those in high-need areas (both geographic–rural and urban–and subject matter shortages–math, science, and special education).

AASCU's Policy Statements

AASCU supports state and federal legislation that will aid in recruiting, hiring, and retaining highly qualified teachers. AASCU is particularly concerned about the supply of highly qualified teachers willing to serve in high-need school districts. Furthermore, AASCU supports legislative efforts to increase the number of educators from underrepresented and nontraditional teaching populations.

AASCU supports state and federal efforts to discover and examine characteristics of successful teachers, the manner in which students learn, and the most effective organization of classrooms and schools. These initiatives should help to effectively close performance gaps, improve teacher preparation, and aid in teacher retention.

- AASCU supports state efforts to increase the interstate mobility of certified teachers through the use of reciprocal licensing agreements and portable pension plans.

Accountability and Standards

Strict accountability measures for teacher preparation programs are a fundamental element of current reform efforts. The federal requirement to publish report cards that compare the pass rates of teacher preparation programs is an outgrowth of the education accountability movement. Additional public disclosure initiatives are also being adopted in many states and school districts.

AASCU's Policy Statements

AASCU supports state efforts to establish and implement rigorous standards of learning for students in teacher preparation programs. These standards should measure specific content area comprehension, knowledge of appropriate methods of instruction, and the connectivity of these two areas. States that wish to incorporate national standards, such as those promoted by the National Board for Professional Teaching Standards, the American Board for Certification of Teacher Excellence (ABCTE), the Council for Basic Education, and various discipline-based associations into their curricula and measurement structures, should have the option to do so.

AASCU will support federal reporting requirements that are appropriately designed to benefit students and the general public in a meaningful way. Furthermore, any federal reporting requirements should have a clearly defined purpose that is directly related to a legitimate federal interest. In addition, a quantifiable performance measure should be established that has a clear and direct relationship to the purpose and such a measure should be presented with appropriate contextual information. The methodologies for calculating the performance measure should be articulated up-front and duplicative reporting requirements should be avoided. In addition, the use of electronic posting and other technologies should satisfy legislative intent for public dissemination of accountability measures and results.

AASCU endorses public accountability and disclosure of the qualifications of teachers employed in local school districts to increase public knowledge of the qualifications of the nation's teaching force, consistent with the provisions of the NCLB Act.

Induction and Professional Development

The broad geographic reach of AASCU institutions affords them excellent opportunities to partner with a variety of local school districts and communities. These partnerships provide an excellent opportunity for growth throughout the educational continuum. One of the purposes of these partnerships is to support the induction and professional development of classroom teachers.

public policy agenda

AASCU's Policy Statement

AASCU supports state and federal efforts to promote partnership activities for the purpose of improving the retention rates of high-quality certified teachers in K-12 classrooms. These partnerships should be premised on a sustained commitment to the entire educational continuum and should be structured according to the specific needs of the state or region.

Technology/Clinical Experience

Technology and clinical experience are frequently required for adequate classroom preparation and are often incorporated into the curricula of teacher preparation programs. It is important that America's classroom teachers see technology as a tool to be used to teach any subject, rather than a targeted few. Clinical experiences provide a structured and supportive environment for prospective teachers to learn practical classroom management strategies, among other things.

AASCU's Policy Statements

AASCU endorses state and federal efforts to support teacher preparation programs for the purpose of ensuring that all prospective teachers are educated on how to use technology as an effective instructional tool.

AASCU supports the inclusion of clinical experiences in all teacher preparation programs, traditional or alternative.

Alternative Routes, Emergency Certification, and Out-of-Field Placement

As teacher shortages mount in many areas, policymakers are increasingly turning to alternative means to obtain an adequate supply of classroom teachers. These alternative routes to certification vary significantly in quality and rigor. It is important that alternative route programs be held to high standards. America's children deserve high-quality certified teachers, no matter what route the educator takes to the classroom.

The nation's K-12 schools face a growing problem in that an increasing number of teachers with emergency or temporary certification, or those teaching out of field, are being placed in the classroom. This problem is especially severe in poor and/or low-performing school districts. The NCLB Act has taken a significant step toward addressing the problem by requiring that all teachers be certified and have demonstrated competency in the subject area in which they teach by the 2005-2006 school year. This requirement, however, presents new challenges for states and institutions charged with ensuring that an adequately prepared teaching workforce exists to meet this mandate.

AASCU's Policy Statements

AASCU supports alternative route programs that are conducted according to rigorous state determined standards that are consistent with those applied to traditional teacher preparation programs.

AASCU understands the challenges facing K-12 schools and districts; however, AASCU opposes the practice of out-of-field placement and emergency credentialing of teachers. While states bear direct responsibility for addressing these problems, AASCU institutions have a responsibility to work with K-12 schools to be part of the solution.

Appropriation

Funding for teacher preparation programs and educational partnerships fall in the federal domestic discretionary budget. The benefits from these federally established programs will accrue only if the programs receive sufficient financial support through the annual appropriations process. Furthermore, any federal program that may be established to support initial preparation at IHEs will be meaningless without funding.

AASCU's Policy Statement

AASCU will seek increased appropriations for programs that improve and expand teacher preparation and partnership programs, including TQE grants, teacher training in technology, science and math preparation, and other long-term professional development initiatives.

public policy agenda

Regulation

Appropriate regulations are crucial to fulfilling the spirit of any law. AASCU actively participates in the on going monitoring of regulations to ensure they remain consistent with congressional intent.

AASCU's Policy Statement

AASCU will seek participation in the federal regulatory process pertaining to the educational continuum, for the purpose of promoting the needs and interests of public colleges and universities.

public policy agenda

Access and Inclusion

State colleges and universities maintain a proud tradition of extending opportunity to aspiring groups in our society. As normal schools and teachers' colleges at the open of the 20th Century, many AASCU institutions helped a large cross-section of Americans to participate more fully in the Industrial Age. As regional universities at the middle of the century, these institutions opened their doors to returning GIs, women, and racial/ethnic minorities to meet the needs of a global power in the Space Age.

As the 21st Century opens and the Information Age unfolds, this tradition will be tested as never before. Over the next fifteen years, an estimated 1.7 million additional students will seek a place in American public higher education, and the vast majority will hail from historically underrepresented or disadvantaged groups, including low-income students, first-generation students, students with disabilities, and students from racial/ethnic minority groups.

Providing access to the baccalaureate for a rapidly growing, increasingly diverse population will be a formidable challenge for AASCU institutions, but access alone is not enough. Persistence and success in attaining a higher education should be viewed as equally important policy priorities, especially for groups most at risk of non-completion. As at other critical junctures in the nation's history, meeting society's human capital challenges will require creativity and focus on the part of institutions, and sustained commitment on the part of policymakers.

Federal Issues

Historically, the federal government has assumed the mantle of responsibility with respect to promoting higher education access and opportunity. While other levels of government and private/non-profit entities are increasingly tackling these issues, the federal commitment in these areas must be maintained and strengthened, particularly for programs and initiatives that have a proven track record of success.

AASCU's Policy Statements

AASCU will advocate for increased funding for the programs falling under Title III of HEA, specifically those that aid public Historically Black Colleges and Universities (HBCUs) and Hispanic-Serving Institutions (HSIs), and Alaska Native and Hawaiian Serving Institutions.

AASCU also calls on Congress and the Administration to advocate for increased funding for programs falling under Title V of HEA (Developing Hispanic-Serving Institutions), and will work for reduction or elimination of the two-year waitout period for previous grant recipients.

AASCU will advocate for increased funding of the TRIO and GEAR UP programs, specifically for expansion of those programs to reach community-based institutions and other groups that serve underrepresented students. The TRIO programs have a proven record of reaching out to junior and senior high school students who would not otherwise aspire to higher education, thus making them worthy of more than a level funding recommendation by the Administration.

AASCU will ask Congress and the Administration to increase investment in federal scholarship and fellowship programs such as the Byrd Honors Scholarship, the Javits Fellowship, and Graduate Assistance in Areas of National Need (GAANN) programs as important means of building a pipeline for historically underrepresented groups into the academy.

AASCU supports the Child Care Access Means Parents in School Program, which provides supplemental funds to institutions to establish/support campus-based child care programs that primarily serve the needs of low-income students who receive Pell Grants. The Administration has proposed no new awards for FY03

due to lapsed funds in FY01 and FY02. AASCU urges the Department of Education to redouble its efforts to promote the program and to consider changes that would result in increased participation by institutions.

AASCU urges Congress and the Administration to be mindful of the particular challenges facing higher education institutions located in rural and urban/metropolitan areas, which serve a large number of at-risk students. Specifically, AASCU calls on policymakers to focus existing programs such as the Fund for the Improvement of Postsecondary Education (FIPSE) on issues of concern to these institutions, such as student retention and access to technology.

Federal/State Issues

As the nation's population expands and becomes more diverse, policy related to higher education opportunity will increasingly focus on the relationship between federal and state policy. On several fronts, the handoff from Washington to the state capitals could be sorely tested in the year ahead. Amid the debates and controversies that may emerge, AASCU urges policymakers to remain focused on the best interests of students and the expansion of postsecondary opportunity.

Affirmative Action in College Admissions

Policy debates related to affirmative action at the nation's colleges and universities have been among the most contentious in recent years. With the U. S. Supreme Court poised to review the precedent established in the landmark *Bakke* case, AASCU calls on policymakers and higher education leaders to engage affirmative action issues within a thoughtful, forward-looking, and student-focused framework.

AASCU's Policy Statement

AASCU supports the principle that racial and ethnic diversity in college and university enrollment is a compelling state interest, as articulated in the U. S. Supreme Court's 1978 decision of *Bakke v. Regents of the University of California*. In the face of current challenges to this principle, AASCU urges states and their institutions and systems of higher education to affirm the value of diversity in all aspects of the academy, and to explore legally permissible means to foster that diversity.

Residency Status of Alien Students

Even before the tragedy of September 11, 2001, state and federal leaders were engaged in debates regarding the nation's immigration policies. While heightened security concerns have dramatically recast that debate, many of the central questions remain unchanged, including that of how to treat dependents of undocumented aliens. AASCU does not condone disregard for the nation's immigration laws, but believes that current laws discouraging or denying resident status to qualified alien students–who are here through no decision of their own–rebuke our heritage as a nation of immigrants and ignore a vital source of human capital for the New Economy.

AASCU's Policy Statement

AASCU will support legislation in the 108th Congress to modify the 1996 federal law that discourages states from conferring resident status on dependents of undocumented aliens for the purpose of college/university attendance. Moreover, AASCU encourages states to follow the lead of states that have adopted laws defining and conferring resident status on qualified alien students.

College Preparation/Early Intervention

While a great deal of policy discussion and debate centers around access and inclusion at the level of collegiate admissions, pipeline issues such as college preparation and early intervention too often receive less emphasis. AASCU believes that the most effective affirmative action initiatives are those that focus on the pre-college years, where disparities and disadvantages are rooted.

AASCU's Policy Statement

AASCU encourages states to develop programs that promote college preparation and attendance at the elementary and secondary levels, with a special

emphasis on at-risk populations. Such programs should supplement and complement existing federal programs such as TRIO and GEAR-UP.

Developmental Education

The issue of how–or whether–to provide developmental coursework to college students not fully prepared in certain areas continues to spark policy debates at the state level. This debate is guaranteed to continue, given projected demographic trends, and AASCU cautions policymakers to focus on realities more than rhetoric in facing these issues.

AASCU's Policy Statement

AASCU urges policymakers to take a long-term, comprehensive approach to developmental education. Specifically, AASCU calls for a state/federal partnership initiative to provide resources for institutions enrolling a significant number of academically at-risk students.

State Issues

As the preceding statements suggest, the state role in access and inclusion issues is clearly on the rise. Because most states can expect significant growth in the enrollment of at-risk and historically underrepresented groups, statehouse leaders must be prepared to carefully examine policy related to access and opportunity, and must also be prepared to make changes where necessary.

Articulation and Transfer

Linkages between two- and four-year institutions persist as an issue on the state policy agenda, and rapid enrollment growth will only underscore their importance. AASCU believes that policy discussions on two-year/four-year relations must recognize the increasing diversity of student attendance patterns, and must remain focused on student success as the primary goal.

AASCU's Policy Statement

AASCU encourages states and their higher education systems and institutions to review policies pertaining to student transition between two- and four-year institutions, and to adopt policies that promote seamless student transitions and improved access to baccalaureate programs. To this end, AASCU has joined with the American Association of Community Colleges (AACC) in an effort to identify and disseminate promising state, system, and institutional policies and practices.

public policy agenda

Economic and Workforce Development

As the economy continues to struggle and society changes, so too must our conception of the infrastructure needed to keep the nation moving forward. Just as investments in railroads, highways, and air transport powered America's rise in the 20th Century, AASCU believes that investing in human infrastructure and providing students with the education and technological skills to succeed in the workforce will strengthen the nation's competitive position in the 21st Century.

Accordingly, public colleges and universities will experience rising demands and expectations to meet the needs of the changing workforce. In such an environment, AASCU institutions must continue to exercise creativity, adaptability, and responsiveness, while maintaining the commitment to opportunity and access that have become the hallmark of state colleges and universities.

Federal Issues

Agency Linkages

AASCU believes that partnerships with federal government agencies will be crucial in the years ahead. These partnerships promote the discovery of knowledge and enhance training, stimulate technological innovation, improve the quality of life, and contribute to meeting the demands of the economy.

AASCU's Policy Statement

AASCU will explore partnership and program opportunities with federal government agencies and entities such as: (1) the Department of Labor—Technical Skills Training Grants, Work Incentive Grant Program, Grants for Community Based Organizations; (2) the Department of Housing and Urban Development—Community Outreach Partnership Centers, Hispanic Serving Institutions, and Historically Black Colleges and Universities; (3) the Department of Education—Strengthening Institutions Program-Development Grants, Minority Science and Engineering Improvement Program; (4) the National Endowment for the Humanities—Extending the Reach: Institutional Grants for Historically Black, Hispanic-Serving, and Tribal Colleges and Universities; and (5) U.S. Chamber of Commerce—Business Coalition for Workforce Development.

Federal/State Issues

Welfare Reform

AASCU supports federal and state policies that will provide current welfare recipients with economic opportunities and choices. Through the reauthorization of the Temporary Assistance for Needy Families (TANF) Act, welfare recipients will be given the opportunity to pursue higher education as a countable work activity. Through education, citizens can move toward self-sufficiency and attain economic security, which ultimately benefits society as educated citizens move into the workforce, creating an ongoing investment in human capital.

AASCU's Policy Statements

AASCU will advocate for increasing the allowable time limits under which welfare recipients can pursue higher education as a direct work activity.

To further promote human capital in the states, AASCU will call on federal and state policymakers to provide adequate financial aid for welfare recipients who want to pursue a higher education.

AASCU supports the position of the National Conference of State Legislatures (NCSL) that expresses the need for state flexibility and adequate federal resources to ensure that implementation of the TANF provisions are successful.

Workforce Investment Act

AASCU will carefully monitor the reauthorization of the Workforce Investment Act (WIA), scheduled for 2003. The WIA provides an opportunity for AASCU institutions to

become training providers, so they can play a major role in workforce activities at the state and local levels. AASCU believes that by partnering with local and state investment boards and the private sector, state colleges and universities can produce skilled workers and educated citizens to meet current and future economic demands.

As legislative hearings begin in 2003, AASCU will work with members of Congress to ensure that member institutions have an opportunity to play a major role in workforce investment activities at the state and local levels.

AASCU's Policy Statements

AASCU supports legislation that strengthens the role that member institutions can play on state and local investment boards in developing state strategic plans and implementing these plans through workforce investment systems.

AASCU supports efforts to improve and expand the effectiveness of the youth activities authorized under the WIA. AASCU institutions are uniquely situated to assist in this effort because of their existing relationships with community entities that serve children.

AASCU supports efforts to expand opportunities for four-year public institutions of higher education to serve as providers of education, job training, and career counseling for individuals using the one-stop delivery system.

AASCU supports efforts to develop education and training programs for the preparation of workforce development professionals.

AASCU will seek involvement in the development of any regulations related to workforce issues that may affect institutions of higher education, such as the appropriate use of Pell Grants to provide educational assistance to workforce program participants.

State Issues

AASCU's Policy Statements

AASCU encourages states to promote partnerships between regions, states, government agencies, colleges and universities, the private sector, and foundations to develop innovative strategies that invest in retraining and skill development to meet current and future economic demands.

AASCU urges state policymakers to review current laws and regulations pertaining to economic and workforce development (e.g. conflict of interest, intellectual property, contracting) to ensure that these policies do not unduly impede entrepreneurship and business development, particularly with respect to faculty and staff at colleges and universities.

public policy agenda

Governance

The principle of lay governance serves as one of the cornerstones of public higher education in the United States. The vitality and adaptability of state colleges and universities amid the dramatic change of the past century is due in no small part to the vision and leadership of citizens entrusted with the coordination and governance of these institutions. Lay governance is a vital but fragile enterprise, one that is essential for the cultivation of responsive and engaged institutions, but one that is increasingly vulnerable to misappropriation by narrow political and ideological factions. As AASCU institutions strive to meet the demands of a rapidly changing society, the bodies overseeing these institutions must recognize these demands and be prepared to review and revamp governance structures and relationships.

AASCU's Policy Statements

AASCU believes that higher education governing and coordinating boards represent a vital public trust, which therefore demands extreme care in the selection and continuing education of board members. The nomination and selection processes for board members should be based solely on the qualifications of the individual, and the processes should involve the consultation of key stakeholders.

AASCU calls on policymakers and the higher education community to provide comprehensive orientation for board members as they assume their duties, and continuing education for them as they strive to carry out those duties. Reliance on outside parties with narrow ideological interests in either the selection or orientation processes places political agendas above the strength of institutions and the success of students.

AASCU encourages the formation and maintenance of appropriate and constructive relationships between institutions, their governing and coordinating entities, and states' elected leaders. Moreover, the terms of these relationships must be absolutely clear. Changes in these relationships that muddle or politicize the decision-making process or compromise the autonomy or integrity of institutions are detrimental to the educational enterprise and to the public trust.

AASCU believes that governing and coordinating boards exist to:

Provide overall direction and guidance to institutions;

Ensure good stewardship of the public's investment in these institutions; and

Advocate for their particular institutions and for higher education in general to the people of the state.

AASCU discourages extensive involvement of governing and coordinating boards in the operational affairs of institutions. AASCU believes that such involvement robs institutions of strategic focus and direction, and compromises the professional respect and sense of shared purpose that is necessary for a constructive board-institution relationship.

AASCU endorses the Association of Governing Boards of Colleges and Universities' statement *Governing in the Public Trust: External Influences on Colleges and Universities* as a constructive articulation of the roles and responsibilities of those charged with governing the nation's higher education institutions.

The American Association of State Colleges and Universities represents more than 430 public colleges, universities and systems of higher education throughout the United States and its territories.

The association has a four-fold purpose:

To analyze public policy, and to advocate for member institutions and the students they serve;

To promote appreciation and support for public higher education and the distinctive contributions of our member colleges and universities;

To provide policy leadership and program support to strengthen academic quality, promote access and inclusion, and facilitate educational innovation; and

To create professional development opportunities for institutional leaders, especially presidents, chancellors and their spouses.

aascu

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